

Statement of Conrad Egan President and Chief Executive Officer of National Housing Conference

Before the Senate Committee on Banking, Housing and Urban Affairs

"Creating Livable Communities: Housing and Transit Policy in the 21st Century" March 26, 2009

Let me begin by summarizing a few major points on the coordination of transit and housing policy and its role in developing livable communities. The combined costs of transportation and housing paint a more accurate and complete picture of affordability. While many individuals in search of affordable housing have been forced to "drive 'til they qualify," research now shows that as families move further from work, their transportation costs go up, often leading to a higher combined cost.

This dilemma is illustrated well in the study, <u>A Heavy Load</u> completed by the Center for Housing Policy, which documents that once families are between 10 and 15 miles from their employment center, the increase in transportation costs exceeds their housing cost savings. These added expenses are becoming increasingly difficult to bear for working class families with incomes between \$20,000 and \$50,000 who typically dedicate 57% of their income on housing and transportation.

Local, regional, state and federal policies must guide strategies for reducing the burdens of housing and transportation costs on low and moderate income families by supporting the construction of transit-oriented development. Moreover, by building transit-oriented development, communities across the United States will undoubtedly witness reductions in vehicle miles traveled, energy use and green house gas emissions; reductions in traffic congestion; and improved livability and public health outcomes.

As transit-oriented development is built, we must also ensure housing affordability through federal policy and during the local decision-making process. Proper guidance should incentivize the construction and preservation of affordable housing stock near public transit and job sites so that it is available to households of all incomes.

It is crucial that policymakers move from rhetoric to specific legislative action quickly in order to help the nation achieve its 21st century transportation goals. As a result, the National Housing Conference has created a list of three specific recommendations for Congress and the Administration to keep in mind as work is completed on upcoming transportation legislation.

First, Congress and the Administration should revise the allocation formula for transportation funding to create strong incentives for communities to preserve and expand the availability of housing affordable to families with a mix of incomes near public transit stops, job centers, and other compact, amenity-rich areas. Second, Congress and the Administration should create more flexible guidelines for using transportation funding to support affordable, transit-oriented development. And third, Congress and the Administration should provide funding and technical assistance to help communities coordinate their transportation, land use and housing planning efforts.

Thank you for the opportunity to participate in this symposium. The National Housing Conference looks forward to working with members of Congress to find innovative policy solutions that will create and support sustainable, livable communities that will be accessible for all.